

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Framingham Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: February 3, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

P:\actuarial\APPROP\Approp17\framingham approval.docx

Enc.



**Framingham Retirement System
January 1, 2016 Actuarial Valuation**

Total Cost increases 13% in FY18 and then 5.85% until FY29 with final payment in FY30

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Percent Increase Total Cost</u>
2017	4,474,043	400,000	8,812,392	13,686,435	128,001,952	
2018	4,675,375	400,000	10,390,296	15,465,672	128,128,777	13.00%
2019	4,885,767	400,000	11,084,646	16,370,413	126,568,867	5.85%
2020	5,105,627	400,000	11,822,456	17,328,083	124,145,537	5.85%
2021	5,335,380	400,000	12,606,395	18,341,775	120,747,312	5.85%
2022	5,575,472	400,000	13,439,297	19,414,769	116,251,486	5.85%
2023	5,826,368	400,000	14,324,165	20,550,533	110,523,102	5.85%
2024	6,088,555	400,000	15,264,185	21,752,739	103,413,858	5.85%
2025	6,362,540	400,000	16,262,735	23,025,275	94,760,899	5.85%
2026	6,648,854	400,000	17,323,399	24,372,253	84,385,526	5.85%
2027	6,948,052	400,000	18,449,978	25,798,030	72,091,786	5.85%
2028	7,260,715	400,000	19,646,500	27,307,215	57,664,945	5.85%
2029	7,587,447	400,000	20,917,240	28,904,687	40,869,828	5.85%
2030	7,928,882	400,000	21,449,032	29,777,914	21,449,032	3.02%
2031	8,285,682	400,000		8,685,682	0	-70.83%

Appropriation payments assumed to be made July 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$630,000

FY17 amount maintained at level of prior funding schedule